

## **Library Visit 11/9/2024**

Today during my library visit, I plan on accomplishing a couple tasks- topics. These topics include finding out interest rates on SBA 7 loans, during the 1970's stagflation and when there was a republican in office as president vs. a democrat. As well as locating libraries that hold a copy of the face finder translation, and seeing whether or not they have an AEON account, where they could scan me the German translated bibliography.

### **SBA 7(a) Loan**

According to SBA.gov, it states the Use of Loan Proceeds could be used in the following areas.

7(a) loans can be used for:

Acquiring, refinancing, or improving real estate and/or buildings

Short- and long-term working capital

Refinancing current business debt

Purchasing and installation of machinery and equipment

Purchasing furniture, fixtures, and supplies

Changes of ownership (complete or partial)

Multiple purpose loans, including any of the above

It looks like a certain percentage of the loan amount is considered guaranteed, according the Small Business Adminstration, it states the following information.

## Percentage of guaranty

For most 7(a) loan programs, SBA guarantees up to 85 percent of loans of \$150,000 or less, and up to 75 percent of loans above \$150,000. However, SBA provides a 50% guaranty on SBA Express loans. SBA provides a 90% guaranty for Export Express, Export Working Capital Program (EWCP), and International Trade loans.

According to the same website it states the maximum loan amount is \$5 million. For the variable 7(a) loans its maximum interest rates are tiered based and is listed below:

- 1) \$50,000 or less- Base Rate plus 6.5%
- 2) \$50,001-\$250,000- Base Rate plus 6.0%
- 3) \$250,001-\$350,000-Base Rate plus 4.5%
- 4) Greater than \$350,000 Base Rate plus 3.0%

According to Nerd Wallet it states the following loan terms as follows:

- 1) 25 years for Real Estate
- 2) 10 years for Equipment
- 3) 10 years for working capital and inventory loans.

## **Notes**

Using this information in a real life context, if I have \$7.86 in personal savings and I need \$99,992.14 to reach the ultimate goal for my startup business of \$100,000. My rate would be 13.75%, based off the current prime rate of 7.75%. I would have a 10 year term. I would have to repay \$11,374.10, and it's only guaranteed up to a maximum of \$9,667.98, or 85% of loans \$150,000 or less.